Government of Saskatchewan

Financial Statement
2004-2005

Cumberland Regional College

Saskatchewan Centennial 2005

106-01205/

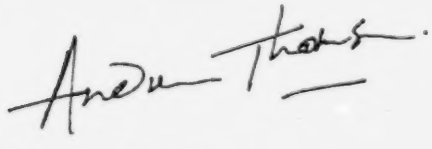
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Cumberland Regional College for the year ending June 30, 2005.

Respectfully submitted,



Andrew Thomson
Minister of Learning

CUMBERLAND REGIONAL COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 2005

Neumann & Neumann
Chartered Accountants

Board of Directors
Cumberland Regional College
Nipawin, Saskatchewan

AUDITORS' REPORT

We have audited the statement of financial position of Cumberland Regional College as at June 30, 2005 and the statements of operations, changes in net assets and cash flows for the year then ended. The College's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Nipawin, Saskatchewan
September 16, 2005

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2005

Statement 1

	2005			2004
	Operating	Capital	Total	Total
ASSETS				
Current Assets				
Cash	$1,653,521	$ 465,200	$2,118,721	$1,794,376
Accounts receivable (note 3)	291,421	--	291,421	190,422
Prepaid expenses	12,748	--	12,748	17,398
	1,957,690	465,200	2,422,890	2,002,196
Investments (note 4)	100,000	--	100,000	100,000
Capital Assets (note 5)	--	756,345	756,345	834,818
	$2,057,690	$1,221,545	$3,279,235	$2,937,014
LIABILITIES				
Current Liabilities				
Accrued salaries and benefits	$ 98,494	$ --	$ 98,494	$ 99,677
Accounts payable and accrued liabilities (note 7)	174,563	--	174,563	107,112
Unearned revenue (note 8)	660,174	--	660,174	624,192
	933,231	--	933,231	830,981
NET ASSETS				
Invested in capital assets	--	756,345	756,345	834,818
Externally restricted	--	25,000	25,000	--
Internally restricted (note 9)	1,004,459	440,200	1,444,659	1,161,215
Unrestricted	120,000	--	120,000	110,000
	1,124,459	1,221,545	2,346,004	2,106,033
	$2,057,690	$1,221,545	$3,279,235	$2,937,014

APPROVED ON BEHALF OF THE BOARD

Director

Director

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2005

Statement 2

	Operating			Capital		Total	
	2005 Budget (Note 11)	2005	2004	2005	2004	2005	2004
Revenues (Schedule 1)							
Provincial Government	$2,740,911	$2,873,807	$2,778,381	$ 50,000	$ --	$2,923,807	$2,778,381
Federal Government	119,519	128,563	123,922	--	--	128,563	123,922
Other Revenue	685,895	1,058,644	935,732	--	--	1,058,644	935,732
Total revenues	3,546,325	4,061,014	3,838,035	50,000	--	4,111,014	3,838,035
Expenses (Schedule 2)							
Agency Contracts	419,157	658,830	613,478	--	--	658,830	613,478
Amortization	--	--	--	116,150	132,182	116,150	132,182
Equipment	101,871	92,849	80,684	--	--	92,849	85,335
Facilities	160,094	173,764	179,265	--	--	173,764	174,614
Information Technology	49,675	25,461	25,195	--	--	25,461	25,195
Operating (Schedule 3)	490,075	429,772	401,079	--	--	429,772	401,079
Personnel Services	2,408,282	2,374,217	2,360,929	--	--	2,374,217	2,360,929
Total expenses	3,629,154	3,754,893	3,660,630	116,150	132,182	3,871,043	3,792,812
Excess (deficiency) of revenues over expenses	$ (82,829)	$ 306,121	$ 177,405	$ (66,150)	$ (132,182)	$ 239,971	$ 45,223

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005

Statement 3

	2005				2004
	Invested in capital assets	Restricted	Unrestricted	Total	Total
Net assets, beginning of year	$ 834,818	$1,161,215	$ 110,000	$2,106,033	$2,060,810
Excess (deficiency) of revenues over expenses	(66,150)	--	306,121	239,971	45,223
Interfund transfers:					
Investment in capital assets	(12,323)	25,000	(12,677)	--	--
Internally imposed restrictions	--	283,444	(283,444)	--	--
Net assets, end of year	$ 756,345	$1,469,659	$ 120,000	$2,346,004	$2,106,033

Restricted Details:

Externally Restricted

	Balance, beginning of the year	To Restricted	From Restricted	Balance, end of the year
Sask Learning Capital	$ --	$ 25,000	$ --	$ 25,000

Internally Restricted (note 9)

College Marketing	--	10,000	--	10,000
Professional Development	25,654	62,413	--	88,067
Personal Professional Development	--	12,587	--	12,587
Programs	784,926	108,879	--	893,805
Capital	200,635	102,242	(12,677)	290,200
Nipawin Facility	150,000	--	--	150,000
	1,161,215	296,121	(12,677)	1,444,659
	$1,161,215	$ 321,121	$ (12,677)	$1,469,659

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005

Statement 4

	2005	2004
Cash flows from operating activities		
Excess of revenues over expenses	$ 239,971	$ 45,223
Amortization of capital assets	116,150	132,182
Net change in non-cash working capital (note 10)	5,901	23,880
	362,022	201,285
Cash flows from investing activities		
Purchase of capital assets	(37,677)	(73,200)
Decrease in investments	--	250,000
	(37,677)	176,800
Net increase in cash	324,345	378,085
Cash, beginning of year	1,794,376	1,416,291
Cash, end of year	$2,118,721	$1,794,376

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2005

Schedule 1

	2005										
	General	Skills Training		Basic Education		University	Services		Total	2005 Budget (Note 11)	2004 Total
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
Provincial Government											
Saskatchewan Learning											
Operating grant	$1,379,025	$ --	$ --	$ --	$ --	$	$ --	$ --	$1,379,025	$1,379,025	$1,368,523
Program payments	--	871,846	10,916	389,627	45,000		53,997	--	1,371,386	1,358,389	1,320,490
Other	--	--	--	--	5,774	--	28,947	--	34,721	3,497	49,828
	1,379,025	871,846	10,916	389,627	50,774	--	82,944	--	2,785,132	2,740,911	2,738,841
Other Provincial	13,696	--	--	5,928	12,246	--	415	56,390	88,675	--	39,540
	1,392,721	871,846	10,916	395,555	63,020	--	83,359	56,390	2,873,807	2,740,911	2,778,381
Federal Government											
Admin recovery	--	--	--	--	--	--	--	--	--	--	--
Seat purchases	--	--	--	--	--	--	--	--	--	--	--
Projects	--	--	--	--	--	--	124,567	--	124,567	116,519	120,872
Other	3,000	--	--	--	996	--	--	--	3,996	3,000	3,050
	3,000	--	--	--	996	--	124,567	--	128,563	119,519	123,922
Other Revenue											
Admin recovery	2,972	--	--	--	--	--	--	--	2,972	--	3,933
Contracts	33,291	267,449	--	162,452	1,172	13,600	860	710	479,534	275,370	348,348
Interest	62,035	--	--	--	--	--	--	--	62,035	80,000	74,007
Rents	1,195	--	--	--	--	--	--	--	1,195	--	4,429
Resale Items	1,894	40,445	13,700	--	1,204	24,490	--	--	81,733	82,250	75,362
Tuitions	--	185,220	109,339	--	1,154	4,788	6,156	--	306,657	236,525	281,743
Other	7,345	2,250	45	--	--	83,615	31,263	--	124,518	11,750	147,910
	108,732	495,364	123,084	162,452	3,530	126,493	38,279	710	1,058,644	685,895	935,732
Total revenue	1,504,453	1,367,210	134,000	558,007	67,546	126,493	246,205	57,100	4,061,014	3,546,325	3,838,035
Total operating fund expenses (Schedule 2)	1,396,584	1,089,739	110,405	429,191	54,116	196,485	359,902	118,471	3,754,893	3,629,154	3,660,630
Excess (deficiency) of revenues over expenses	$ 107,869	$ 277,471	$ 23,595	$ 128,816	$ 13,430	$ (69,992)	$ (113,697)	$ (61,371)	$ 306,121	$ (82,829)	$ 177,405

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2005

Schedule 2

	2005										
	General	Skills Training		Basic Education		University	Services		Total	2005 Budget (Note 11)	2004 Total
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
Agency Contracts	$ --	$ 569,767	$ 12,633	$ 4,104	$ --	$ 28,779	$ 43,547	$ --	$ 658,830	$ 419,157	$ 613,478
Equipment	70,876	5,038	915	1,556	431	1,435	8,653	3,945	92,849	101,871	85,335
Facilities	131,556	39,311	979	--	30	1,642	246	--	173,764	160,094	174,614
Information Technology	20,457	544	401	--	--	119	1,228	2,712	25,461	49,675	25,195
Operating (Schedule 3)	186,926	99,987	43,082	17,547	8,600	46,369	19,487	7,774	429,772	490,075	401,079
Personnel services	986,769	375,097	52,395	405,984	45,055	118,141	286,741	104,040	2,374,217	2,408,282	2,360,929
	$1,396,584	$1,089,739	$ 110,405	$ 429,191	$ 54,116	$ 196,485	$ 359,902	$ 118,471	$3,754,893	$3,629,154	$3,660,630
			$1,200,144		$ 483,307			$ 478,373			

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2005

Schedule 3

	2005 Budget (Note 11)	2005 Total	2004 Total
Advertising	$ 49,625	$ 54,332	$ 49,562
Association Fees and Dues	8,715	8,210	8,146
Bad Debts	--	--	--
Financial Services	1,115	856	837
In-Service	27,601	13,438	8,513
Insurance	8,174	8,092	8,418
Materials and Supplies	68,285	72,841	60,913
Postage, Freight and Courier	12,150	18,826	13,694
Printing and Copying	25,750	16,200	15,460
Professional Services	83,928	14,869	34,718
Resale Items	79,250	87,015	82,069
Subscriptions	2,550	1,706	1,782
Telephone and Fax	43,535	44,514	43,412
Travel	68,622	77,266	62,169
Other	10,775	11,607	11,386
	$490,075	$429,772	$401,079

1. PURPOSE AND AUTHORITY

The Cumberland Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the Colleges is to provide credit and non-credit classroom and vocational training to meet the needs of the regional constituents and industry. The Cumberland Regional College is exempt from the payment of income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives:

(i) Operating Fund

The operating fund accounts for the College's program delivery, service and administrative activities.

(ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College after taking into consideration any associated long term debt. The capital fund also includes contributions, interest and donations designated for capital purposes by the contributor. Also included in the capital fund are the appropriations for future capital expenditures.

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year that the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets costing under $500 are expensed in the current year. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows, and amortization is reported as an expense in the capital fund.

Buildings	5%
Leasehold improvements	5%
Furniture and equipment	10% to 33%
Vehicles	20%

(d) Cash

Cash is represented by cash on hand and balances with banks.

(e) Investments

Investments are recorded at the lower of cost and market value.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2005	2004
Saskatchewan Learning	$ 87,097	$120,905
Federal government	105,425	6,004
Other	98,899	63,513
	$291,421	$190,422

4. INVESTMENTS

Investments consist of:

	Interest Rate	Maturity Date	2005	2004
Sask Savings Bond	5.75%	July, 2005	$100,000	$100,000
			$100,000	$100,000

5. CAPITAL ASSETS

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 973,612	$ 437,126	$536,486	$ 585,167
Leasehold improvements	258,242	109,830	148,412	161,324
Furniture/ equipment	523,175	451,728	71,447	88,327
Vehicles	23,486	23,486	--	--
	$1,778,515	$1,022,170	$756,345	$ 834,818

6. LEASE OBLIGATIONS

The College is committed under an annual term lease for office space at the following minimum amount for the next year (exclusive of proportionate increases and additional occupancy costs - the lease is negotiated annually):

2006	$23,442

The College is committed under an operating lease for office equipment as follows:

2006	$34,227
2007	34,227
2008	34,227

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable are composed of the following:

	2005	2004
Province of Saskatchewan	$ 1,066	$ 522
Federal government	53,285	51,677
Other	120,212	54,913
	$174,563	$107,112

8. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2005	2004
Saskatchewan Learning	$643,674	$624,192
Other	16,500	--
	$660,174	$624,192

9. RESTRICTIONS ON NET ASSETS

During the year the Board of Directors have placed internal restrictions on $296,121 (2004 - $214,696) of unrestricted net assets to be used for various purposes as indicated on Statement 3.

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	2005	2004
Accounts receivable	$(100,999)	$ (21,050)
Prepaid expenses	4,650	1,572
Accounts payable, salaries payable and accrued vacation payable	66,268	47,559
Unearned revenue	35,982	(4,201)
Net increase in cash	$ 5,901	$ 23,880

11. BUDGET AMOUNTS

The budget amounts on these financial statements were prepared by Regional College Management and approved by the Board on April 27, 2004. The Minister approved the budget on June 24, 2004.

12. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

Related party expenses during the year were as follows:

	2005	2004
SaskTel	$ 46,775	$ 43,412
Saskatchewan Property Management	58,303	58,070
University of Saskatchewan	31,566	37,361
University of Regina	5,693	2,368
	$142,337	$141,211

Other transactions with related parties are disclosed elsewhere in these financial statements.

13. FINANCIAL INSTRUMENTS

The College's significant financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities.

(a) The carrying amount of cash, accounts receivable, accounts payable and accrued liabilities approximates fair market value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

The fair market value of investments is considered to approximate market value which is $100,000 (2004 - $100,000).

13. FINANCIAL INSTRUMENTS CONT'D

(b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

14. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in the Teachers' Superannuation Plan (TSP) or the Saskatchewan Teachers Retirement Plan (STRP) which are administered by the Teachers' Superannuation Commission. The Board has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the required employer contributions of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is a multi-employer defined benefit plan.

The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $58,224 (2004 - $50,898).

CUMBERLAND REGIONAL COLLEGE
OVER $50,000 PERSONAL SERVICES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005
UNAUDITED

Bedel, Julie	$	57,900
Jones, Kathleen	$	53,270
Kerslake, Linda	$	53,856
Lam Ma, Corinne	$	52,537
McAuley Ellion, Linda	$	54,397
McPhee, Lyndaq	$	53,856
Mellon, Brenda	$	57,900
Mushinski, Valerie	$	91,704
Serack, Leslee	$	71,724
Solsten, Joy	$	57,900
Staples, Andrea	$	54,309
Stephenson, Sandra	$	51,144
Teale, Cory	$	53,856
Zazelenchuk, Debbie	$	51,752
TOTAL	**$**	**816,105**

CUMBERLAND REGIONAL COLLEGE
OVER $50,000 PAYEE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005
UNAUDITED

Blue Cross	$100,969
S.I.AS.T. Kelsey Campus	$178,665
Melfort Tiger Lily School Division	$81,024
Municipal Employees Pension Plan	$102,971
S.I.A.S.T. Woodland Campus	$162,014
Receiver General	$641,919
Sask. Property Management Corp.	$58,303
Sask. Government Employees Union	$50,571
Tisdale School Division	$52,637
Total	$1,429,072